



GOVERNMENT OF
WESTERN AUSTRALIA



Office of the
Environmental Protection Authority
Final Report 2016-2017



October 2017

Statement of Compliance

For year ended 30 June 2017

Hon Stephen Dawson
Minister for Environment

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Final Report of the Office of the Environmental Protection Authority for the financial year ended 30 June 2017.

The Final Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Val Cartwright
Reporting Officer
3 October 2017

This report is available in alternative formats upon request.

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Foreword

The Office of the Environmental Protection Authority (OEPA) was formed on 27 November 2009 in response to recommendations in a report to the then Minister for Environment, *The role and structure of the Environmental Protection Authority* (August 2009).

Since its formation, the OEPA has helped the EPA streamline the environmental impact assessment process, and focus its policy advice to the Minister. During 2016–17 the OEPA assisted with a major review of the EPA's policy and guidance framework, released on 13 December 2016, and implementing and embedding the new framework.

On 28 April 2017 the State Government of Western Australia announced a range of government agency amalgamations to reduce the State's departments from 41 to 25. The OEPA ceased operations as at 1 July 2017 and is now part of the newly formed Department of Water and Environmental Regulation.

The Environmental Protection Authority remains an independent statutory body and will continue to protect the environment by providing sound, robust and transparent advice, with the new Department providing services to assist.



Val Cartwright

Reporting Officer



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Overview

Executive summary

Performance highlights

- 31 environmental impact assessments were completed and reports prepared for the Environmental Protection Authority (EPA) during the year covering a diverse range of mining, industrial, infrastructure and oil and gas projects.
- The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) environmental impacts assessment services was 89%.
- The EPA released its new guidelines and procedures framework, fully adopting the findings of the *Independent Legal and Governance Review into Policies and Guidelines for Environmental Impact Assessment*. A focus for the OEPA was the implementation of the new framework and associated procedures and guidelines.
- The EPA's satisfaction with the OEPA's environmental management services involving development of policies, guidelines and strategic advice to protect the environment was 83%.
- Compliance officers audited 60 proposals in the Kimberley, Pilbara, Gascoyne, Mid West, Goldfields, South West, Great Southern, South Coast, Metropolitan and Swan regions during the year. Two proposals were found to be non-compliant with their implementation conditions through the audit program and a further nine non-compliances were identified through other compliance monitoring processes.

Operational structure

The OEPA provided services to the independent EPA. The OEPA delivered its services through three divisions:

- Assessment and Compliance
- Strategic Policy and Planning
- Business Operations

The **Assessment and Compliance Division** provided environmental impact assessment support to the EPA for significant proposals (that is, proposals involving major projects, industrial, mining, petroleum and infrastructure developments) and strategic proposals. The division also assisted the Minister for Environment in issuing and managing Ministerial approval statements and monitored compliance with Ministerial approval conditions.

The **Strategic Policy and Planning Division** provided advice and support to the EPA, the Minister for Environment and other parts of Government by:

- providing technical and policy advice in relation to environmental impact assessment of significant proposals and schemes and on environmental

issues in general;

- coordinating the development, analysis, implementation and review of environmental policies and guidelines;
- providing media liaison and internal and external communications services; and
- identifying emerging environmental pressures and innovative technical or policy solutions.

The **Business Operations Division** provided services including ministerial liaison, legal advice and Freedom of Information (FOI) and financial management, as well as executive support and administrative services to the EPA.

Enabling legislation

The OEPA was established as a department in 2009 under the *Public Sector Management Act 1994*, and provided its services to the EPA under the provisions of section 17A of the *Environmental Protection Act 1986* (EP Act).

Responsible Minister

During 2016–17 the OEPA reported to the Honourable Albert Jacob MLA, Minister for Environment until 11 March 2017, then to the Honourable Stephen Dawson MLC, Minister for Environment.

Administered legislation

The OEPA provided services to the EPA to enable it to undertake its statutory functions, in accordance with s17A of the *Environmental Protection Act 1986* (EP Act).

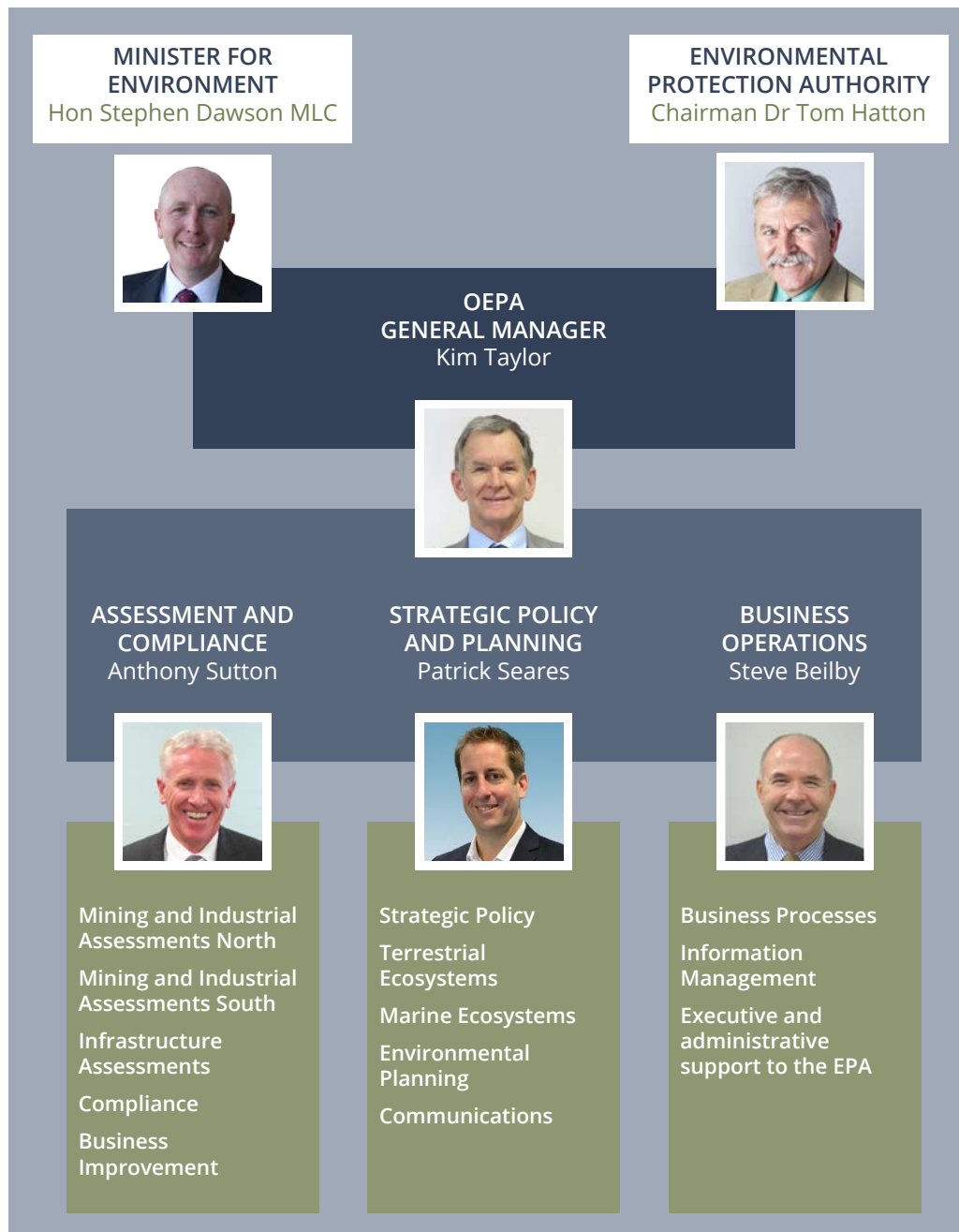
In accordance with s22(1), the OEPA was directly responsible for servicing the Minister in performance of his functions under the EP Act, particularly for granting and managing Ministerial approval statements for projects under Divisions 2 and 3 of Part IV of the EP Act.

The OEPA was also responsible for administering s48 of the EP Act in auditing compliance with conditions set under these Ministerial approval statements, reporting on non-compliance to the Minister, and undertaking enforcement action as necessary on behalf of the Minister.

Subsidiary legislation

Subsidiary legislation relevant to the OEPA's functions included:

- Environmental Protection Regulations 1987
- Environmental Protection (Peel Inlet – Harvey Estuary) Policy 1992
- Environmental Protection (Kwinana) (Atmospheric Wastes) Policy 1999



Organisational chart as at 30 June 2017

Vision

The vision of the OEPA was for an environment that is highly valued and protected.

Purpose

The purpose of the OEPA was to support the EPA and work with other departments, industry and the community to ensure environmental values are protected and development is managed in an environmentally responsible manner.

- Environmental Protection (Kwinana) (Atmospheric Wastes) Regulations 1992
- Environmental Protection (Goldfields Residential Areas) (Sulphur Dioxide) Policy 2003
- Environmental Protection (Goldfields Residential Areas) (Sulphur Dioxide) Regulations 2003
- Environmental Protection (Western Swamp Tortoise Habitat) Policy 2011.

Other parts of the EP Act were administered by the Department of Environment Regulation.

Other key legislation impacting on the OEPA's activities

In the performance of its functions, the OEPA complied with the following relevant written laws:

- *Auditor General Act 2006;*
- *Contaminated Sites Act 2003;*
- *Disability Services Act 1993;*
- *Equal Opportunity Act 1984;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Minimum Conditions of Employment Act 1993;*
- *Occupational Safety and Health Act 1984;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000;* and
- *State Supply Commission Act 1991.*

Performance Management Framework

Outcome-based Management Framework

Each year the OEPA was required to meet a number of targets relating to Government-desired outcomes, financial management, services to be delivered and performance targets to be achieved.

The OEPA evaluated, measured and reported on the effectiveness of its services in achieving its desired agency level outcomes through Key Performance Indicators or 'KPIs'. KPIs comprise both Effectiveness and Efficiency Indicators. Effectiveness Indicators show the extent to which the department achieved its department-level outcome and the Efficiency

Indicators show the cost of services delivered by the department.

The OEPA's management framework was consistent with the Government goal for social and environmental responsibility, which is to ensure that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

The desired outcome was provision of quality advice to the EPA and the Minister for Environment on significant proposals, compliance and environmental issues.

To achieve this outcome, the OEPA performed three services:

1. Environmental Impact Assessment Services to the EPA
2. Environmental Management Services to the EPA
3. Compliance Monitoring Services to the Minister.

Changes to Outcome Based Management Framework

The Office of the Auditor General's 2014–15 audit process identified that the outcome of "Quality advice to the EPA and Minister on significant proposals, compliance and environmental issues" did not reflect the OEPA's third service of Compliance Monitoring Services to the Minister. A change to the OEPA's Outcomes was implemented for the 2016–17 reporting period with the following amendments: "Quality advice to the EPA and Minister on significant proposals and environmental issues" and "Compliance with Ministerial statement implementation conditions are monitored effectively".

Shared responsibilities with other agencies

The OEPA did not share any responsibilities with other agencies in 2016–17.

<p>GOVERNMENT GOAL</p> <p>Social and environmental responsibility</p> <p>Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.</p>	
<p>DESIRED OUTCOME</p> <p>Quality advice to the EPA and Minister on significant proposals and environmental issues</p>	
<p>Service 1: Environmental Impact Assessment Services to the EPA</p>	
<p>KEY EFFECTIVENESS INDICATORS</p> <ul style="list-style-type: none"> ▶ The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) Environmental Impact Assessment (EIA) services, during the year, in line with Best Practice Principles of EIA ▶ Percentage of project-specific conditions which did not require significant change following the appeal process ▶ Percentage of assessments that met agreed timelines 	<p>KEY EFFICIENCY INDICATOR</p> <ul style="list-style-type: none"> ▶ Cost per Standardised Unit of Assessment Output
<p>Service 2: Environmental Management Services to the EPA</p>	
<p>KEY EFFECTIVENESS INDICATOR</p> <ul style="list-style-type: none"> ▶ The EPA's satisfaction with the OEPA's provision of environmental management services during the year 	<p>KEY EFFICIENCY INDICATOR</p> <ul style="list-style-type: none"> ▶ Cost per Standardised Unit of Environmental Management Services Output
<p>DESIRED OUTCOME</p> <p>Compliance with Ministerial statement implementation conditions are monitored effectively</p>	
<p>Service 3: Compliance Monitoring Services to the Minister</p>	
<p>KEY EFFECTIVENESS INDICATOR</p> <ul style="list-style-type: none"> ▶ The number of Ministerial statements audited compared to targets 	<p>KEY EFFICIENCY INDICATOR</p> <ul style="list-style-type: none"> ▶ Average Cost per Environmental Audit Completed

Agency performance

Report on operations

Actual results versus budget targets

Each year the OEPA is required to meet a number of targets set by the State Government. These targets related to Government-desired outcomes, financial management, services to be delivered and performance targets to be achieved. The agreement was a transparent way for the State Government to monitor the operational performance of the OEPA.

The OEPA evaluated, measured and reported on the effectiveness of its services in achieving its desired agency level outcomes through Key Performance Indicators or 'KPIs'. KPIs comprise both Effectiveness and Efficiency Indicators.

Effectiveness Indicators show the extent to which the department achieved its department-level outcome and the Efficiency Indicators show the cost of services delivered by the department, as summarised in the tables below.

Financial targets

	2016-17 Target ⁽¹⁾ \$,000	2016-17 Actual \$,000	Variation ⁽²⁾ \$,000
Total cost of services (i.e. endorsed expense limit)	14,321	14,372	51
Net cost of services (details in the Income Statement)	14,171	14,354	183
Total equity (details in the Statement of Financial Position)	(1,024)	(372)	(652)
Agreed salary expense level	11,013	9,723	(1,290)

(1) As specified in Budget Papers

(2) Further explanations are contained in Note 30 'Explanatory statement' to the financial statements.

Working cash targets

	2016-17 Agreed limit \$,000	2016-17 Target ⁽¹⁾ / Actual ⁽²⁾ \$,000	Variation ⁽²⁾ \$,000
Working cash limit (at Budget)	714	714	-
Working cash limit (at Actuals)	714	701	(13)

(1) As specified in the Resource Agreement

(2) Actual reflects the actual working cash held at the close of the financial year.

Government Desired Outcomes, Key Effectiveness Indicators and Targets

	2016-17 Target ⁽¹⁾	2016-17 Actual	Variation ⁽²⁾
Desired outcome: Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment (the Minister) on significant proposals, compliance and environmental issues.			
The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) Environmental Impact Assessment (EIA) services, during the year, in line with Best Practice Principles of EIA	80%	88%	8%
Percentage of project-specific conditions which did not require significant change following the appeal process	80%	94%	14%
Percentage of assessments that met agreed timelines	75%	82%	7%
The EPA's satisfaction with the OEPA's provision of environmental management services during the year	80%	83%	3%
Desired Outcome: Compliance with Ministerial statement implementation conditions are monitored effectively			
The number of Ministerial statements audited compared to targets	100%	100%	0%

(1) As specified in Budget Papers

(2) Further explanations are contained in Note 30 'Explanatory statement' to the financial statements.

Services, Key Efficiency Indicators and Targets

	2016-17 Target ⁽¹⁾ \$,000	2016-17 Actual \$,000	Variation ⁽²⁾ \$,000
1. EIA Services to the EPA – Cost per standardised unit of Assessment Output	29,362	22,047	(7,315)
2. Environmental Management Services to the EPA – Cost per standardised unit of Environmental Management Services output	33,297	26,310	(6,987)
3. Compliance Monitoring Services to the Minister – Average cost per Environmental Audit completed	33,875	36,515	2,640

(1) As specified in Budget Papers

(2) Further explanations are contained in Note 30 'Explanatory statement' to the financial statements.

Environmental Impact Assessment Services to the EPA

Overview

On 13 December 2016, the EPA released its new guidelines and procedures framework, fully adopting the findings of the *Independent Legal and Governance Review into Policies and Guidelines for Environmental Impact Assessment* (Legal and Governance review). During the first half of 2017, a focus for the OEPA was the implementation of the new framework and associated procedures and guidelines. In addition, a number of new technical guidances within the framework were finalised.

A key component of work was embedding the changes to level of assessment. The EP Act provides a broad range of powers for determining what information is required to assess a proposal. Consistent with the Act, the revised Administrative Procedures maintain the flexibility for the EPA to choose the proposal-specific requirements that the EPA determines are necessary to assess the proposal.

A total of 262 development proposals and planning schemes were referred to the EPA for consideration in 2016–17, a decrease of approximately eight per cent from 2015–16.

Of these, the EPA determined that 19 development proposals warranted formal assessment. A further four development proposals and 20 scheme amendments did not require assessment but specific advice was provided to proponents.

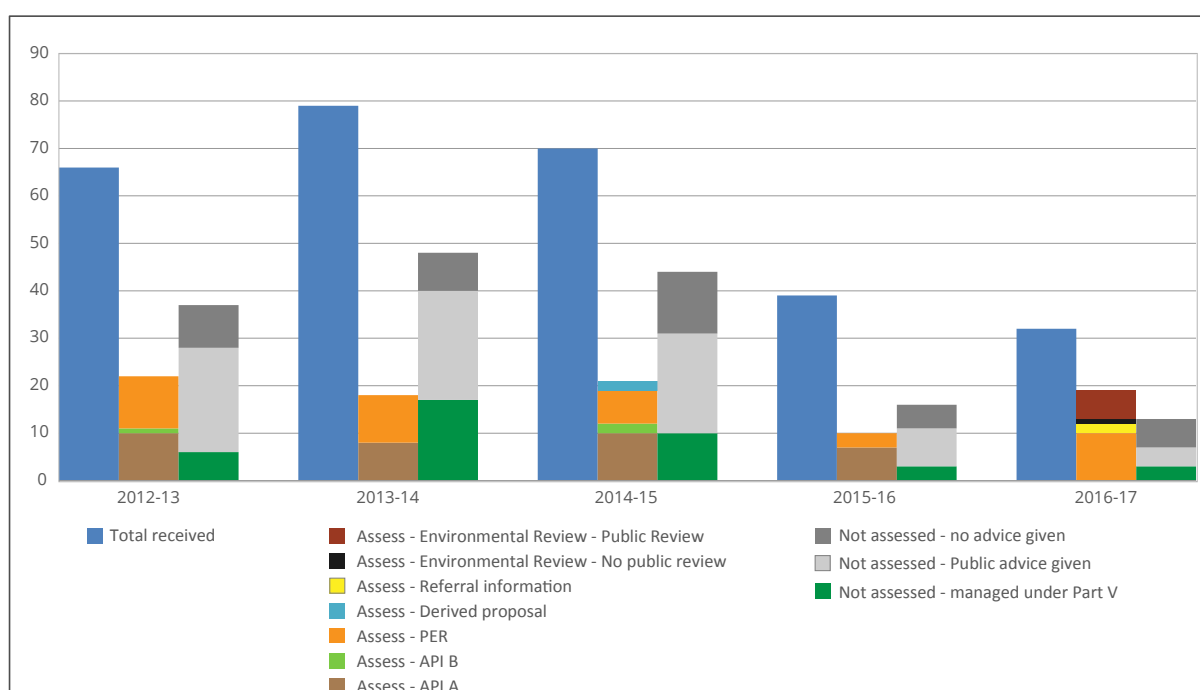


Figure 1: Breakdown of referrals of development proposals (s38)

Figure 1 shows the development proposals referred, and a breakdown of the decisions on level of assessment – Public Environmental Review (PER), Assessment on Proponent Information – Category A (API A) and Assessment on Proponent Information – Category B (API B). The decrease in numbers received over the last few years is evident.

The graph also gives a breakdown of where referrals were examined and preliminary investigations and inquiries led to a decision that formal assessment was not warranted.

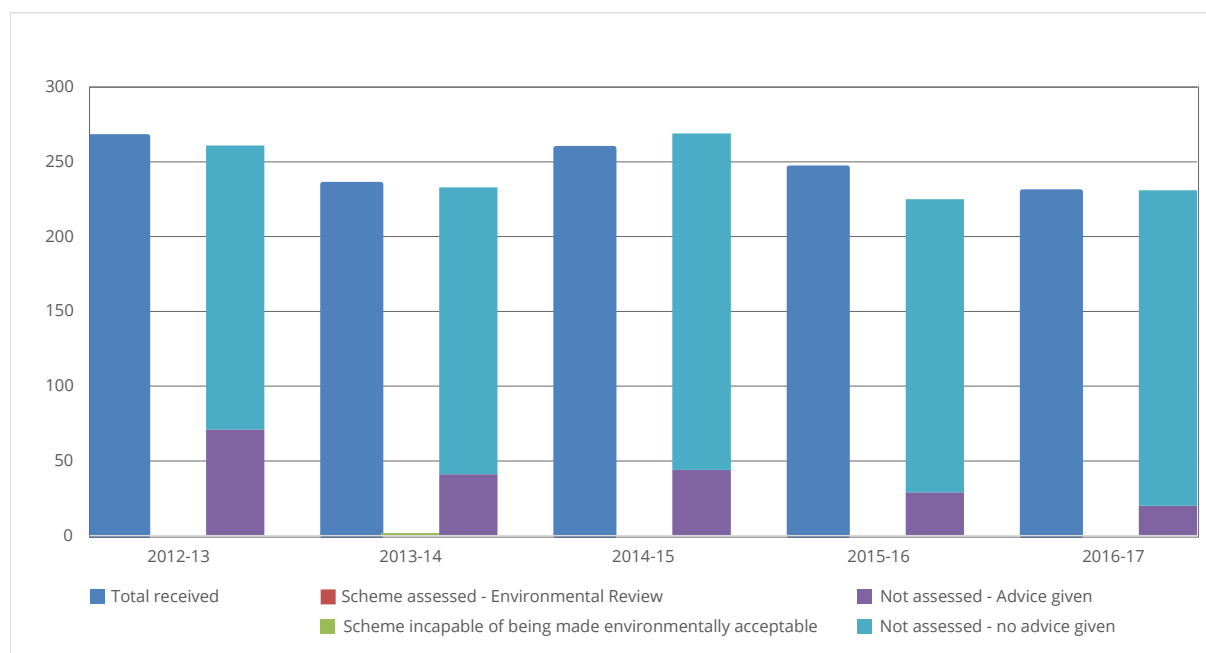


Figure 2: Breakdown of referrals of schemes and scheme amendments (s48)

Figure 2 shows a slight fall in the number of schemes and scheme amendments referred during the year.

During 2016–17, the OEPA helped the EPA completed 31 assessment reports, with the type and number of assessments shown in Table 1. A list of all proposals assessed is shown in Appendix 1.

Table 1: Completed assessments

Type of assessment	2015–16	2016–17
Public Environmental Review	6	11
Assessment on Proponent Information – Category A	6	5
Assessment on Referral Information	-	1
Changes to Conditions – Section 46	6	14
Total	18	31

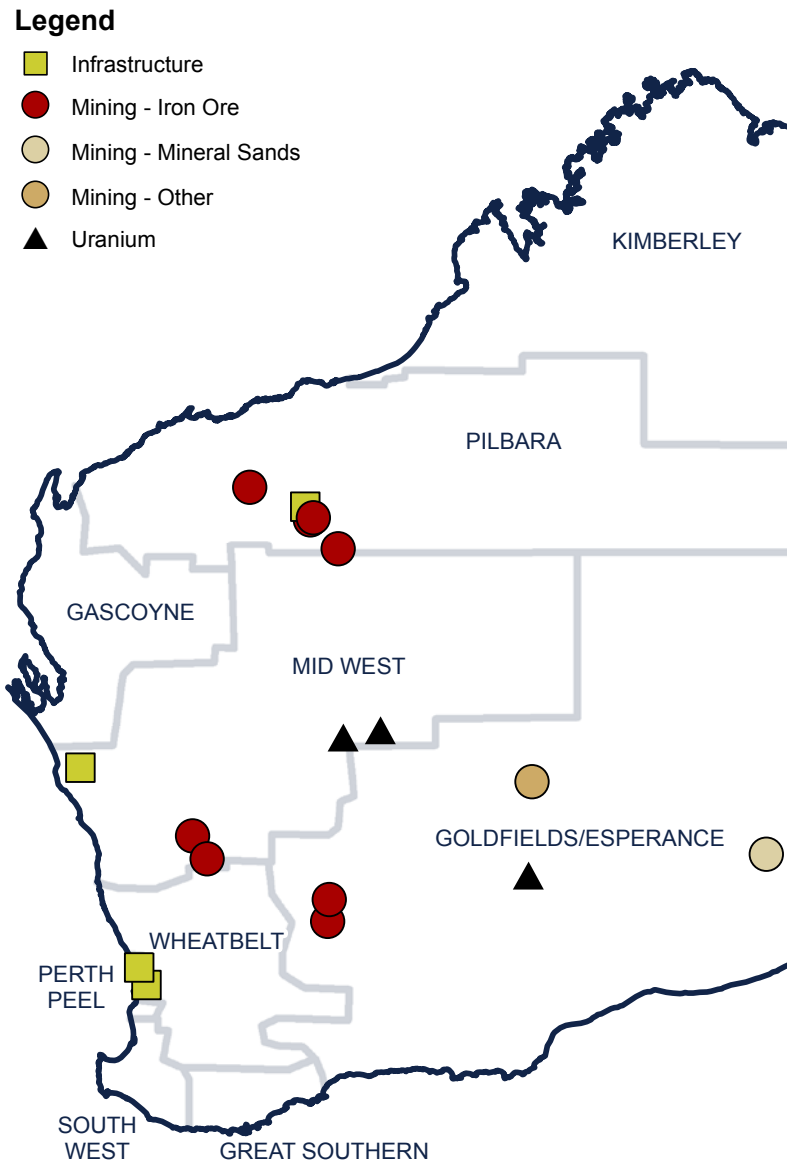


Figure 3: Location of assessments completed during 2016–17

Environmental impact assessment of mining and infrastructure proposals

The EPA completed 13 assessments for mining proposals during 2016–17: 11 Public Environmental Review (PER) assessments and two Assessment on Proponent Information (API) – Category A assessments. While over half of the assessments were of iron ore proposals (61%), three uranium mine proposals were also completed. The OEPA considered the important role of other State agencies in maintaining a consistent approach to assessment and regulation of uranium projects.

Consistent with the past two financial years, 2016–17 saw a decrease in the number of new mine proposals referred to the EPA and a continued focus on expansions of existing mining projects. However, mining proposals continue to dominate the assessment workload, as 21 mining proposals are currently under assessment representing 61% of the workload, which is consistent

with the previous financial year.

The EPA has considered a broad range of significant infrastructure proposals in the marine and terrestrial environments in 2016–17. This included the consideration of Western Australia’s second large-scale aquaculture development zone, the 3,000 hectare Mid-West Aquaculture Zone, located at the Abrolhos Islands.

Environmental impact assessment of planning schemes and scheme amendments

Under the *Planning and Development Act 2005*, all schemes and scheme amendments must be referred to the EPA for consideration. The EPA is then required to determine whether or not each scheme or scheme amendment requires formal environmental impact assessment under Part IV of the EP Act or, in rare cases, is environmentally unacceptable.

In 2016–17, the EPA considered 231 scheme amendments. The EPA determined that none of these raised environmental issues that could not be managed through the planning process, and that formal environmental impact assessment was not required. The EPA did, however, provide environmental advice, to be implemented through the planning process, for 20 scheme amendments. This advice helps responsible authorities and other stakeholders ensure that environmental impacts are avoided.

Environmental Management Services to the EPA

Within this Service the OEPA developed, for the EPA, policies, guidelines and strategic advice to protect the environment and manage environmental impacts. The OEPA also contributed to the development of Government environmental policy.

The findings of an Independent Legal and Governance Review were published in May 2016. The review team recommended a revamped and simplified policy framework and, although the Roe Highway decision was eventually overturned, the EPA embraced the findings and undertook a thorough reform of its policy suite.

The OEPA supported the complete revision of the EPA's policies to create new streamlined procedures and guidelines frameworks which were launched in December 2016. The new frameworks clearly differentiate between the procedures for consideration during the EIA process, and the guidelines and technical guidance for environmental considerations during EIA. Other advice and reference material not related to the EIA process is also identified under the new hierarchy.

New and revised policy and guidance

The policy reform resulted in a reduction of 11 (37 down to 26) documents and a simplified and more logical framework consisting of two main streams:

- Documents that apply to the EPA's EIA of proposals and schemes (Documents to support EIA)
- Documents published by the EPA or WA Government to inform environmental management and protection (Advice and reference material).

The *Environmental Impact Assessment (Part IV Divisions 1 and 2) Administrative Procedures* were revised and the content of 14 documents that dealt with procedural matters were incorporated into one document, the *Procedures Manual, Environmental Impact Assessment (Part IV Divisions 1 and 2)*. A dedicated Environmental Factor Guideline was created for all 14 EPA environmental factors, communicating how each is considered by the EPA in the EIA process. Technical Guidance was developed which sits beneath many of the Factor Guidelines and continues to be established for other Factors.

The OEPA also supported the EPA to developed strategic advice under section 16(e) of the EP Act in response to a request from the Minister for Environment in June 2016. The report, titled *Consideration of potential health and amenity impacts of dust in determining the size of a buffer for urban development in the Mandogalup area*, stemmed from the previous Government's consideration of establishing legislation to control new sensitive land uses in the vicinity of the Kwinana industrial area. It was transmitted to the Minister in June 2017.

Government policy

The establishment of the Pilbara Environmental Offsets Fund was announced by the Government in 2016. The purpose of the Fund is to facilitate the coordinated delivery of environmental offset projects in the Pilbara region to maximise biodiversity protection outcomes and offset environmental impacts as per Ministerial conditions. The OEPA worked towards the establishment of the Fund and developing the governance arrangements which will guide how decisions are made and funds are spent.

The OEPA also continued to contribute to the Strategic Assessment of the Perth and Peel region through providing advice on environmental values and impacts associated with recommendations from the EPA's interim s16(e) strategic advice *Perth and Peel @ 3.5 million: Environmental impacts, risk and remedies* (2015).

Compliance monitoring services to the Minister

Section 48(1) of the EP Act provides that the Chief Executive Officer (CEO) may monitor compliance of proposals approved by the Minister, for the purpose of determining whether the implementation conditions set out in the Ministerial Statement are being complied with. The OEPA used a variety of proactive and reactive methods to monitor compliance including audits of proposals, reviews of compliance assessment reports, onsite inspections, and stakeholder engagement.

If a proponent does not ensure that the implementation of the proposal is in accordance with the implementation conditions, the proponent commits an offence. When non-compliance with an implementation condition or proponent commitment of a Ministerial Statement is identified, the proponent is issued with a Notice of Non-Compliance, detailing actions required to rectify the issue and regain compliance. The Minister for Environment is informed of each non-compliance, which enabled a range of actions to be undertaken if required.

The OEPA used a priority matrix to assign a priority rating of Very High, High, Medium or Low to all proposals. The matrix used information from the environmental impact assessment process, the proposal's complexity, potential environmental consequences, and proponent performance to rate priority.

The priority rating enables resources to be effectively managed to achieve the best environmental outcome by priority based targeting of active proposals. The priority rating of all proposals was reassessed after each audit or compliance review to ensure the priority rating reflected the proposal phase, proponent performance and implementation status.

The results from the compliance audits identify areas to improve proponent's compliance, and will inform future compliance programs and the environmental impact assessment process.

Compliance and audit activity

Under the 2016–17 Compliance Management Program, 60 audits of Ministerial Statements were conducted. The audits were focussed on proposals with a priority rating of Very High, High and Medium together with a number of randomly selected Low priority rated proposal.

Compliance officers conducted audits on a range of proposals in the Kimberley, Pilbara, Gascoyne, Mid West, Goldfields, South West, Great Southern, South Coast, Metropolitan and Swan regions during the year. Proposals audited included a waste management facility, port and rail infrastructure, oil and gas facilities, wastewater treatment plant, desalination plant, chemical processing and manufacturing facilities, marine services facility, granite quarry, irrigated agriculture projects, salt production, and gold, limesand, rare earths, lead carbonate, iron ore, mineral sands and nickel mines.

Compliance officers audited 60 proposals in the Kimberley, Pilbara, Gascoyne, Mid West, Goldfields, South West, Great Southern, South Coast, Metropolitan and Swan regions during the year. Two proposals were found to be non-compliant with their implementation conditions through the audit program and a further nine non-compliances were identified through other compliance monitoring processes.

Roe Highway extension

In addition to the auditing of 60 proposals under the Compliance Management Program, the OEPA also monitored compliance of the Roe Highway Extension Stage 8 project. Environmental approval for construction and operation of the Roe Highway Extension was issued in July 2015 (Ministerial Statement 1008) and construction began in December 2016.

Given the degree of public interest in the project, the OEPA engaged an experienced external environmental auditor to carry out on-site auditing each day that work was being undertaken. This was in addition to the internal resources already dedicated to the high volume of work created by this project. The level of compliance monitoring provided to this project was significantly higher than any other project to date, particularly in relation to the level of significant environmental impact.

The outcome resulted in the proponent displaying a high level of commitment and performance in implementing the Ministerial approval conditions and management plan actions required for the project. However, an audit identified that the proponent had not fully implemented its Construction Environmental Management Plan (CEMP). Specifically, during clearing, signs were not erected at mulch stockpiles indicating the weed and dieback status of the mulch and source location of the mulch. A notice of non-compliance was issued to correct the signage and ensure any future rehabilitation of the site is properly managed. Main Roads Western Australia rectified the issue in accordance with the timeframe requested and no

further action was required. The audit also found that other management actions and procedures to prevent the spread of weeds, disease and pathogen were being implemented so the matter did not result in any observable environmental impact beyond the scope of the approval.

In March 2017, construction of the project was suspended.

Improving our business

Public consultation

The public were encouraged to:

- participate in consultation by offering advice, identifying omitted relevant data/information, providing local knowledge and proposing alternatives;
- participate in strategic policy and planning as appropriate, since engagement at these earlier stages may influence the development and evaluation of future proposals;
- be informed of the administration and outcomes of EIA; and
- take a responsible approach to opportunities for engagement in the EIA process, including being informed of objective information about the environmental issues.

To facilitate public participation, all opportunities to comment and make formal submissions on matters before the EPA can be found on the “consultation hub” at <https://consultation.epa.wa.gov.au>. The EPA also prefers responses be made through the hub. It provides a comprehensive platform for online consultation that enables the EPA to:

- manage all its consultation activity;
- create consultations and surveys;
- publicise and promote EIA consultations;
- analyse and report on responses; and
- provide feedback to the public.

Interested stakeholders can subscribe to be notified when new items are published by signing up to an email mailing list. During 2016–17, public comment was invited on 46 items, and a total of 1,202 responses were received.

Table 2: Consultations as at 30 June 2017

Type of consultation	Number	Responses
Seven-day comment on new referrals	35	745
Public Environmental Reviews	9	354
Comment on policies and guidance under development	1	62
Invitation to comment on EPA website	1	41
	46	1,202

The EPA also uses Twitter to inform the general public and stakeholders of information relating to EIA and policy development, including notification of new publications, opportunities for public comment/submissions, media releases and other announcements.



Significant issues impacting the OEPA

Current and emerging issues and trends

- ▶ In August 2015, the EPA released interim advice on the key Government project on strategic planning and environmental assessment of long-term development in the Perth-Peel region to prepare for growth of the region's population to 3.5 million people. During 2016–17, the OEPA continued to contribute to this project.
- ▶ An independent legal and governance review of the EPA's policies, guidelines and procedures was released on 17 May 2016, with the EPA welcoming the findings. The recommendations were accepted and the OEPA helped the EPA develop a new guidelines and procedures framework, which was implemented on 13 December 2016. The framework will be reviewed after 12 months.
- ▶ On 28 April 2017, the Premier announced Machinery of Government changes, including a merge of the Office of the Environmental Protection Authority with the Department of Water and the Department of Environment Regulation. The new Department of Water and Environmental Regulation became operational on 1 July 2017 and provides services to the independent EPA.

Economic and social trends

- ▶ The pace at which companies sought approvals for new development proposals continued to slow, following the trend noticed during the previous year. However there was still a considerable assessment workload, particularly in the iron ore and uranium sectors. There continued to be an increased focus by proponents on applications to both expand existing facilities and infrastructure to maximise their production, and to extend the timeframe for proposal implementation, resulting in a proportionally high number of requests for post-assessment changes.
- ▶ The level of public scrutiny of the environmental impact assessment process continued to increase during 2016–17. The EPA's new website, launched on 13 December, was designed to complement the new guidelines and procedures framework, and improve communication of the EPA's advice and access to information.

Changes in written law

- ▶ There were no changes in any written law that affected the OEPA during the financial year.



Disclosures, Financial Statements and Key Performance Indicators

Independent Auditor's Report

To the Parliament of Western Australia

OFFICE OF THE ENVIRONMENTAL PROTECTION AUTHORITY

Report on the Financial Statements

Opinion

I have audited the financial statements of the Office of the Environmental Protection Authority which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Environmental Protection Authority for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Office in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Reporting Officer for the Financial Statements

The Office of the Environmental Protection Authority ceased to exist as a department under the *Financial Management Act 2006* on 30 June 2017. The Treasurer appointed a Reporting Officer under section 68 of the Act who was responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Reporting Officer.
- Conclude on the appropriateness of the Reporting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Office of the Environmental Protection Authority. The controls exercised by the Office are those policies and procedures established by the General Manager to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Office of the Environmental Protection Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The General Manager's Responsibilities

The General Manager was responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend

on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions .

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Environmental Protection Authority for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Office of the Environmental Protection Authority are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Reporting Officer's Responsibility for the Key Performance Indicators

The Reporting Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Reporting Officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Reporting Officer is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about

whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Environmental Protection Authority for the year ended 30 June 2017 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website.

The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 September 2017

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Office of the Environmental Protection Authority have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2017 and the financial position as at 30 June 2017.

At the date of signing I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Valma Cartwright

Reporting Officer

14 September 2017

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	5	10,747,156	10,830,444
Supplies and services	7	2,283,526	2,092,865
Depreciation and amortisation expense	8	120,252	122,014
Accommodation	9	819,917	792,369
Grants and subsidies	10	23,636	–
Other expenses	11	292,265	259,325
Loss on disposal of non-current asset	13	85,731	5,015
Total cost of services		14,372,483	14,102,032
Income			
<i>Revenue</i>			
Other revenue	14	18,108	23,721
Total Revenue		18,108	23,721
Total income other than income from State Government		18,108	23,721
NET COST OF SERVICES		14,354,375	14,078,311
Income from State Government	15		
Service appropriation		14,171,000	14,150,000
Services received free of charge		145,145	470,816
State grants		–	148,011
Total income from State Government		14,316,145	14,768,827
SURPLUS/(DEFICIT) FOR THE PERIOD		(38,230)	690,516
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(38,230)	690,516

See also the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	884,187	610,258
Receivables	17	84,580	213,011
Amounts receivable for services	18	–	6,000
Other current assets	19	–	235,192
Total Current Assets		968,767	1,064,461
Non-Current Assets			
Restricted cash and cash equivalents	16,26	33,528	–
Amounts receivable for services	18	638,000	588,000
Plant and equipment	20	259,040	110,524
Intangible assets	21	76,718	237,267
Total Non-Current Assets		1,007,286	935,791
TOTAL ASSETS		1,976,053	2,000,252
LIABILITIES			
Current Liabilities			
Payables	23	195,345	104,900
Provisions	24	1,261,006	1,604,018
Total Current Liabilities		1,456,351	1,708,918
Non-Current Liabilities			
Provisions	24	891,583	730,985
Total Non-Current Liabilities		891,583	730,985
TOTAL LIABILITIES		2,347,934	2,439,903
NET LIABILITIES		(371,881)	(439,651)
EQUITY	25		
Contributed equity		702,675	596,675
Accumulated surplus/(deficit)		(1,074,556)	(1,036,326)
TOTAL EQUITY		(371,881)	(439,651)

See also the 'Schedule of Assets and Liabilities by Service'.

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Contributed equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2015	25	402,675	(1,726,842)	(1,324,167)
Surplus/(deficit)		–	690,516	690,516
Transactions with owners in their capacity as owners:				
Capital appropriations		194,000	–	194,000
Distributions to owners		–	–	–
Balance at 30 June 2016		596,675	(1,036,326)	(439,651)
Balance at 1 July 2016		596,675	(1,036,326)	(439,651)
Surplus/(deficit)		–	(38,230)	(38,230)
Transactions with owners in their capacity as owners:				
Capital appropriations		106,000	–	106,000
Distributions to owners		–	–	–
Balance at 30 June 2017		702,675	(1,074,556)	(371,881)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		14,121,000	14,100,000
Capital appropriations		106,000	194,000
Holding account drawdown		6,000	50,000
State grant		–	148,011
Net cash provided by State Government		14,233,000	14,492,011
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(10,718,776)	(11,347,227)
Supplies and services		(1,778,520)	(1,566,359)
Accommodation		(637,617)	(974,669)
Grants and subsidies		(23,636)	–
GST payments on purchases		(315,263)	(215,538)
Other payments		(546,946)	(383,544)
Receipts			
GST receipts on sales		55,663	9,451
GST receipts from taxation authority		215,394	197,037
Other receipts		18,108	24,681
Net cash provided by/(used in) operating activities	26	(13,731,593)	(14,256,168)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(193,950)	(163,768)
Receipts			
Proceeds from sale of non-current assets		–	–
Net cash provided by/(used in) investing activities		(193,950)	(163,768)
Net increase/(decrease) in cash and cash equivalents		307,457	72,075
Cash and cash equivalents at the beginning of the period		610,258	538,183
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26	917,715	610,258

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Schedule of Income and Expenses by Service

For the year ended 30 June 2017

	Service 1 - Environmental Impact Assessment Services to the EPA		Service 2 - Environmental Management Services to the EPA		Service 3 - Compliance Monitoring Services to the Minister		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
COST OF SERVICES								
Expenses								
Employee benefits expense	6,565,502	6,791,963	2,624,139	2,567,948	1,557,515	1,470,533	10,747,156	10,830,444
Supplies and services	1,345,123	1,346,894	540,115	505,595	398,288	240,376	2,283,526	2,092,865
Accommodation	483,751	507,116	188,581	182,245	147,585	103,008	819,917	792,369
Depreciation and amortisation expense	70,949	78,089	27,658	28,063	21,645	15,862	120,252	122,014
Grants and subsidies	16,545	–	4,727	–	2,364	–	23,636	–
Other expenses	176,132	162,461	68,023	68,232	48,110	28,632	292,265	259,325
Loss on disposal of non-current asset	50,581	3,210	19,718	1,153	15,432	652	85,731	5,015
Total cost of services	8,708,583	8,889,733	3,472,961	3,353,236	2,190,939	1,859,063	14,372,483	14,102,032
Income								
Other revenue	10,684	15,181	4,165	5,456	3,259	3,084	18,108	23,721
Total income other than income from State Government	10,684	15,181	4,165	5,456	3,259	3,084	18,108	23,721
NET COST OF SERVICES	8,697,899	8,874,552	3,468,796	3,347,780	2,187,680	1,855,979	14,354,375	14,078,311
INCOME FROM STATE GOVERNMENT								
Service appropriation	8,360,890	9,056,000	3,259,330	3,254,500	2,550,780	1,839,500	14,171,000	14,150,000
Services received free of charge	85,637	301,322	33,383	108,288	26,125	61,206	145,145	470,816
State grant	–	–	–	148,011	–	–	–	148,011
Total income from State Government	8,446,527	9,357,322	3,292,713	3,510,799	2,576,905	1,900,706	14,316,145	14,768,827
SURPLUS/DEFICIT FOR THE PERIOD	(251,372)	482,770	(176,083)	163,019	389,225	44,727	(38,230)	690,516

Schedule of Assets and Liabilities by Service

As at 30 June 2017

	Service 1 - Environmental Impact Assessment Services to the EPA		Service 2 - Environmental Management Services to the EPA		Service 3 - Compliance Monitoring Services to the Minister		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Current assets	571,573	681,256	222,816	234,181	174,378	149,024	968,767	1,064,461
Non-current assets	594,299	598,906	231,676	205,874	181,311	131,011	1,007,286	935,791
Total assets	1,165,872	1,280,162	454,492	440,055	355,689	280,035	1,976,053	2,000,252
Liabilities								
Current liabilities	859,248	1,093,708	334,961	375,962	262,142	239,248	1,456,351	1,708,918
Non-current liabilities	526,034	467,830	205,064	160,817	160,485	102,338	891,583	730,985
Total liabilities	1,385,282	1,561,538	540,025	536,779	422,627	341,586	2,347,934	2,439,903
NET ASSETS	(219,410)	(281,376)	(85,533)	(96,724)	(66,938)	(61,551)	(371,881)	(439,651)

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2017

	2017 Estimate \$	2017 Actual \$	Variance \$	2017 Actual \$	2016 Actual \$	Variance \$
Delivery of Services						
Item 96 Net amount appropriated to deliver services	14,171,000	14,171,000	–	14,171,000	14,150,000	21,000
Total appropriations provided to deliver services	14,171,000	14,171,000	–	14,171,000	14,150,000	21,000
Capital						
Capital appropriations	106,000	106,000	–	106,000	194,000	(88,000)
GRAND TOTAL	14,277,000	14,277,000	–	14,277,000	14,344,000	(67,000)
Details of Expenses by Service						
Environmental Impact Assessment Services to the EPA	8,958,000	8,708,583	(249,417)	8,708,583	8,889,733	(181,150)
Environmental Management Services to the EPA	3,330,000	3,472,961	142,961	3,472,961	3,353,236	119,725
Compliance Monitoring Services to the Minister	2,033,000	2,190,939	157,939	2,190,939	1,859,063	331,876
Total Cost of Services	14,321,000	14,372,483	51,483	14,372,483	14,102,032	270,451
Less Total Income	(150,000)	(18,108)	131,892	(18,108)	(23,721)	5,613
Net Cost of Services	14,171,000	14,354,375	183,375	14,354,375	14,078,311	276,064
Adjustments	–	(183,375)	183,375	(183,375)	71,689	(255,064)
Total appropriations provided to deliver services	14,171,000	14,171,000	–	14,171,000	14,150,000	21,000
Capital Expenditure						
Purchase of non-current physical assets	112,000	193,950	81,950	193,950	163,768	30,182
Adjustments for other funding sources	(6,000)	(87,950)	(81,950)	(87,950)	80,232	(168,182)
Capital appropriations	106,000	106,000	–	106,000	244,000	(138,000)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 30 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The financial statements have been compiled on a going concern basis as the net assets will transfer to a new Department that will continue to provide services to the public.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar (\$) and \$,000 for Note 30 and 31.

There are no judgements made in the process of applying the Department's accounting policies that have a significant effect on the amounts recognised in the financial statements.

As disclosed in Note 29, the Department of Water, Environment Regulation and Office of the Environmental Protection Authority have been amalgamated to form the Department of Water and Environmental Regulation.

The financial statements have been prepared on a going concern basis as the net assets of the OEPA have been transferred to the new Department who will continue to provide the OEPA's services.

Note 3 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

Mission

The Department's mission is to support the work of the EPA by providing rigorous environmental impact assessment advice and policies, and to undertake effective compliance audits.

The Department is predominantly funded by Parliamentary appropriations. It does not provide services on a fee-for-service basis. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

Services

The OEPA's management framework is consistent with the Government goal for social and environmental responsibility, which is to ensure that economic activity is managed in a socially and environmentally responsible manner for the long term benefits of the state.

The desired outcomes are:

Outcome 1: Quality advice to the EPA and Minister on significant proposals and environmental issues.

Outcome 2: Compliance with Ministerial statement implementation conditions are monitored effectively.

The Department provides the following services:

1. Environmental Impact Assessment Services to the EPA
2. Environmental Management Services to the EPA
3. Compliance Monitoring Services to the Minister

(d) Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(f) Plant and equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive

Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition of an asset, historical cost is used for all plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition of an item of plant and equipment, any gain or loss is shown in the statement of Comprehensive Income.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Other plant and equipment	5 to 20 years
Information Technology	3 to 4 years
Marine equipment	3 to 10 years

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Software ^(a)	3 to 5 years
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(a) Software that is not integral to the operation of any related hardware.

Computer software

Software that is an integral part of the related hardware is recognised as plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(h) Impairment of assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

(i) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

The Department has no assets classified as held for sale.

(j) Leases

The Department holds an operating lease for vehicles. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(k) Financial instruments

In addition to cash, the Department has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Accrued salaries

Accrued salaries (see note 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See note 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(n) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(o) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(p) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(q) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future

payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Department makes contributions to GESB or other fund provider on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(r) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(s) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income

(t) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 3. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 4. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted the Authority.

AASB 1057 *Application of Australian Accounting Standards*

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

AASB 2014 3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]*

The Department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014 4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]*

The adoption of this Standard has no financial impact for the Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014 9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Department has no joint ventures and associates, the application of the Standard has no financial impact.

AASB 2015 1 *Amendments to Australian Accounting Standards Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]*

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Department has determined that the application of the Standard has no financial impact.

AASB 2015 2 *Amendments to Australian Accounting Standards Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]*

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015 6 *Amendments to Australian Accounting Standards Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]*

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

AASB 2015 10 *Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 & 128*

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014 10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Department has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Department. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/ after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The Department's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not for Profit Entities and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.</p>	1 Jan 2019

AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$32,993 (note 27). The Department anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p>	1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.

AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]* 1 Jan 2018

This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The mandatory effective date (application date) for the Standard has been deferred to 1 Jan 2018 by AASB 2015 10. The Department has determined that the Standard has no financial impact.

AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* 1 Jan 2017

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not For Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016 7. The Department has not yet determined the application or the potential impact of AASB 15.

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* 1 Jan 2017

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is not financial impact.

AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* 1 Jan 2018

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a license, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact.

AASB 2016-4 *Amendments to Australian Accounting Standards –Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* 1 Jan 2017

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement.

The Department has not yet determined the application or the potential impact.

AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not for Profit Entities* 1 Jan 2017

This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15 for not for profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.

AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities* 1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle* 1 Jan 2017

This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.

Note 5. Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries ^(a)	9,722,968	9,859,837
Superannuation – defined contribution plans ^(b)	1,024,188	970,607
	10,747,156	10,830,444

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other expenses'.

Employment on-costs liability is included at note 24 'Provisions'.

Note 6. Compensation of Key Management Personnel

The Department has determined that key management personnel include Ministers and senior officers of the Department. However, the Department is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for senior officers of the Department for the reporting period are presented within the following bands:

Compensation Band (\$)	2017	2016
300,001 – 350,000	1	–
250,001 – 300,000	–	1
200,001 – 250,000	2	2
150,001 – 200,000	1	1
	\$	\$ (restated)
Short-term employee benefits	763,290	707,401
Post-employment benefits	100,160	94,272
Other long-term benefits	87,083	87,472
Total compensation of senior officers	950,533	889,145

Note 7. Supplies and services

	2017	2016
	\$	\$
Communications	64,104	67,270
Consultants and contractors ^(a)	1,816,359	1,791,215
Consumables	88,480	90,881
Travel	35,558	33,718
Labour hire - temporary personnel	226,284	87,741
Other	52,741	22,040
	2,283,526	2,092,865

(a) Includes human resource services supplied by the Department of Parks and Wildlife \$425,436.

(b) Includes motor vehicle and other insurance paid to Insurance Commission of Western Australia \$24,206.

Note 8. Depreciation and amortisation expense

	2017	2016
	\$	\$
<u>Depreciation</u>		
Information technology assets	27,337	37,413
Other plant and equipment	18,652	19,000
Total depreciation	45,989	56,413
<u>Amortisation</u>		
Computer software	74,263	65,601
Total amortisation	74,263	65,601
Total depreciation and amortisation	120,252	122,014

Note 9. Accommodation

	2017	2016
	\$	\$
The Atrium - Department of Environment Regulation	819,917	792,369
	819,917	792,369

Note 10. Grants and subsidies

	2017	2016
	\$	\$
WA Biodiversity Science Institute	10,000	–
WA Marine Science Institute	13,636	–
	23,636	–

Note 11. Other expenses

	2017	2016
	\$	\$
Audit fees	64,948	46,544
Employment on-costs ^(a)	33,857	48,268
Other employment costs	122,926	88,594
Lease costs	61,296	63,935
Repairs and Maintenance	9,238	11,984
	292,265	259,325

(a) Includes workers compensation insurance paid to Insurance Commission of WA \$35,541 and other employment on-costs reversal.

Note 12. Related Party Transactions

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- all members of Environmental Protection Authority;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- The Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- service appropriations (Note 15);
- capital appropriations (Note 25);
- services received free of charge (Note 15);
- superannuation payments to GESB (Note 5);
- accommodation payments to Department of Environment Regulation (Note 9);
- insurance payments to the Insurance Commission and Riskcover fund (Note 7 and Note 11); and
- human resources service payments to Department of Parks and Wildlife (Note 7).

Material transactions with related parties

Remuneration paid to members of Environmental Protection Authority \$597,102.

The Department had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

Note 13. Net gain/ (loss) on disposal of non-current assets

	2017 \$	2016 \$
<u>Proceeds from disposal of non-current assets</u>		
Intangibles	–	–
Other equipment	–	–
<u>Carrying amount of non-current assets disposed</u>		
Intangibles	(85,731)	–
Other equipment	–	(5,015)
	(85,731)	(5,015)

Note 14. Other revenue

	2017 \$	2016 \$
Cost recoup for site visits, audits and administration	18,108	23,721
	18,108	23,721

Note 15. Income from State Government

	2017 \$	2016 \$
<u>Appropriation received during the period:</u>		
Service appropriation ^(a)	14,171,000	14,150,000
	14,171,000	14,150,000
<u>Services received free of charge from other State government agencies during the period:</u>		
State Solicitor's Office	145,145	470,816
	145,145	470,816
<u>State grants</u>		
Strategic Assessment of the Perth and Peel Region	–	148,011
	–	148,011
	14,316,145	14,768,827

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

Note 16. Restricted cash and cash equivalents

	2017 \$	2016 \$
<u>Non-current</u>		
Accrued salaries suspense account	33,528	–
	33,528	–

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

Note 17. Receivables

	2017 \$	2016 \$
<u>Current</u>		
Receivables	–	187,443
GST receivable	84,580	25,568
	84,580	213,011

The Department does not hold any collateral or other credit enhancements as security for receivables.

Note 18. Amounts receivable for services (Holding Account)

	2017 \$	2016 \$
<u>Current</u>		
Asset Replacement	–	6,000
	–	6,000
<u>Non-current</u>		
Asset Replacement	94,000	44,000
Leave Liability	544,000	544,000
	638,000	588,000
	638,000	594,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 19. Other current assets

	2017 \$	2016 \$
<u>Current</u>		
Prepayments	–	235,192
Total current	–	235,192

Note 20. Plant and equipment

	2017 \$	2016 \$
<u>Information technology</u>		
At cost	242,856	164,804
Accumulated depreciation	(40,732)	(129,848)
	202,124	34,956

	2017 \$	2016 \$
<u>Other plant and equipment</u>		
At cost	127,381	132,844
Accumulated depreciation	(70,465)	(57,276)
	56,916	75,568
	259,040	110,524

Reconciliation of plant and equipment

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out below.

	Information technology \$	Other plant and equipment \$	Total \$
2017			
Carrying amount at start of period	34,956	75,568	110,524
Additions	194,505	-	194,505
Disposal	-	-	-
Depreciation	(27,337)	(18,652)	(45,989)
Carrying amount at end of period	202,124	56,916	259,040
2016			
Carrying amount at start of period	72,370	89,904	162,274
Additions	-	9,679	9,679
Disposal	-	(5,015)	(5,015)
Depreciation	(37,414)	(19,000)	(56,414)
Carrying amount at end of period	34,956	75,568	110,524

Note 21. Intangible assets

	2017 \$	2016 \$
<u>Computer software</u>		
At cost	103,431	524,296
Accumulated amortisation	(26,713)	(287,029)
	76,718	237,267

Reconciliations

	2017 \$	2016 \$
<u>Computer software</u>		
Carrying amount at start of period	237,267	155,757
Additions	–	147,111
Disposal	(86,286)	–
Amortisation expense	(74,263)	(65,601)
Carrying amount at end of period	76,718	237,267

Note 22. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2017.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.

Note 23. Payables

	2017 \$	2016 \$
<u>Current</u>		
Accrued expenses	152,825	104,900
Accrued salaries	42,520	–
Total current	195,345	104,900

Note 24. Provisions

	2017 \$	2016 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^{(a)(c)}	324,883	470,099
Long service leave ^{(b)(c)}	924,711	1,119,403
Total current	1,249,594	1,589,502
<i>Other provisions</i>		
Employment on-costs ^(d)	11,412	14,516
	11,412	14,516
	1,261,006	1,604,018
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^{(b)(c)}	883,548	724,370
	883,548	724,370
<i>Other provisions</i>		
Employment on-costs ^(d)	8,035	6,615
	8,035	6,615
Total non-current	891,583	730,985
Total provisions	2,152,589	2,335,003

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	282,964	178,449
More than 12 months after the end of the reporting period	41,919	291,650
	324,883	470,099

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	377,637	219,169
More than 12 months after the end of the reporting period	1,430,622	1,624,604
	1,808,259	1,843,773

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

(d) The associated expense is disclosed in note 11 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below.

	2017 \$	2016 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	21,131	22,716
Additional/(reversals of) provisions recognised	(1,684)	(1,585)
Carrying amount at end of period	19,447	21,131

Note 25. Equity

Liabilities exceed assets for the Department and therefore there is no residual interest in the assets of the Department. This equity deficit arose through expenses such as depreciation and accrual of employee entitlements for leave not involving the payment of cash in the current period being recognised in the Statement of Financial Position.

Contributed equity

	2017 \$	2016 \$
Balance at start of period	596,675	402,675
<u>Contributions by owners</u>		
Capital appropriation	106,000	194,000
Balance at end of period	702,675	596,675
<u>Accumulated surplus/(deficit)</u>		
Balance at start of period	(1,036,326)	(1,726,842)
Result for the period	(38,230)	690,516
Balance at end of period	(1,074,556)	(1,036,326)
Total Equity at end of period	(371,881)	(439,651)

Note 26. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017 \$	2016 \$
Cash and cash equivalents	884,187	610,258
Restricted cash and cash equivalents (<i>note 16 'Restricted cash and cash equivalents'</i>)	33,528	–
	917,715	610,258

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2017 \$	2016 \$
Net cost of services	(14,354,375)	(14,078,311)
<u>Non-cash items</u>		
Depreciation and amortisation expense (<i>note 8 'Depreciation and amortisation expense'</i>)	120,252	122,014
Services received free of charge (<i>note 15 'Income from State Government'</i>)	145,145	470,316
Net (gain)/loss on disposal of property, plant and equipment (<i>note 13 'Net gain on disposal of non-current assets'</i>)	85,731	5,015
Adjustment for other non-cash items	–	(2,071)
<u>(Increase)/decrease in assets</u>		
Current receivables	187,443	(83,807)
Other current assets	235,192	(203,397)
<u>Increase/(decrease) in liabilities</u>		
Current payables	90,447	(318,743)
Current provisions	(343,011)	(247,493)
Non-current provisions	160,598	(72,435)
Net GST receipts/(payments) ^(a)	(44,835)	9,050
Change in GST in receivables/payables ^(b)	(14,180)	(1,676)
Net cash provided by/(used in) operating activities	(13,731,593)	(14,256,168)

(a) This is the net GST paid/received, i.e. cash transactions.

(b) This reverses out the GST in receivables and payables

Note 27. Commitments

Non-cancellable operating lease commitments

	2017 \$	2016 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	17,455	17,907
Later than 1 year and not later than 5 years	15,538	3,622
	32,993	21,529

The Department has non-cancellable operating vehicle lease commitments. The lease terms vary dependent upon the vehicle and are for fixed terms payable monthly. The commitments are inclusive of GST.

Note 28. Contingent liabilities and contingent assets

The Department has no contingent liabilities or contingent assets as at 30 June 2017.

Note 29. Events occurring after the end of the reporting period

No events have occurred after the end of the reporting period which would materially impact on the financial statements. The Machinery of Government 2017 changes will abolish the Office of the Environmental Protection Authority as an entity at 30 June 2017. Assets and Liabilities will transfer to the new Department at this date.

Note 30. Explanatory statement

Major variances between estimates (original budget) and actual results for 2017, and between actual results for 2016 and 2017 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$282,000 for the Statement of Comprehensive Income; and
- 5% and \$31,000 for the Statement of Financial Position; and
- 5% and \$282,000 for the Statement of Cash Flows.

Statement of Comprehensive Income	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual result for 2017 and 2016
		\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES						
Expenses						
Employee benefits expense	1	12,307	10,747	10,830	(1,560)	(83)
Accommodation expense		850	820	792	(30)	28
Supplies and services	2	898	2,284	2,093	1,386	191
Depreciation and amortisation expense		50	120	122	70	(2)
Grants and subsidies		–	23	–	24	23
Other expenses		216	293	260	77	33
Loss on disposal of non-current asset		–	86	5	86	81
Total cost of services		14,321	14,373	14,102	53	271
Income						
<i>Revenue</i>						
Other revenue		150	18	24	(132)	(6)
Total revenue		150	18	24	(132)	(6)
Gains						
Gain on disposal of non-current assets		–	–	–	–	–
Total Gains		–	–	–	–	–
Total income other than income from State Government		150	18	24	(132)	(6)
NET COST OF SERVICES		14,171	14,355	14,078	185	277
Income from State Government						
Service appropriation		14,171	14,171	14,150	–	21
Services received free of charge	A	–	145	471	145	(326)
State grant		–	–	148	–	(148)
Total income from State Government		14,171	14,316	14,769	145	(453)
SURPLUS/(DEFICIT) FOR THE PERIOD		–	(39)	691	(39)	(730)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–	(39)	691	(39)	(730)

Major Estimate and Actual (2017) Variance Narratives

1. 'Employee benefits expense' was impacted by the Government's Workforce Renewal and Agency Expenditure Review programs as a recruitment freeze was put in place in preparation for the FTE decreases. A number of vacant positions not being filled during the year resulted in a 13% decrease in costs. Secondments to other agencies increased the expense recoups with the vacant positions not being back filled.
2. The 'Supplies and services' actual expenditure included payment of licensing fees and implementation costs for the Financial Information Management System update to prepare for the Machinery of Government changes that was not included in the budget.

Major Actual (2017) and Comparative (2016) Variance Narratives

- A. 'Services received free of charge' returned to expected levels of State Solicitors Office support after the high cost of the ROE 8 Court Case and Legal and Governance review in 2015–16.

Statement of Financial Position	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual result for 2017 and 2016
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current Assets						
Cash and cash equivalents	3, B	147	884	610	737	274
Receivables	C	102	85	213	(17)	(128)
Amounts receivable for services		–	–	6	–	(6)
Other current assets	4, D	58	–	235	(58)	(235)
Total Current Assets		307	969	1,064	622	(95)
Non-Current Assets						
Restricted cash and cash equivalents		30	33	–	–3	33
Amounts receivable for services	E	638	638	588	–	50
Plant and equipment	F	232	259	111	27	148
Intangible assets	5, G	342	76	237	(266)	(161)
Total Non-Current Assets		1,242	1,006	936	(234)	70
TOTAL ASSETS		1,549	1,975	2,000	(426)	(25)
LIABILITIES						
Current Liabilities						
Payables	6, H	25	152	105	127	47
Provisions	7, I	1,756	1,261	1,604	(495)	(343)
Other	8	133	43	–	(90)	43
Total Current Liabilities		1,914	1,456	1,709	(458)	(253)
Non-Current Liabilities						
Provisions	7, I	653	891	731	238	160
Other		6	–	–	(6)	–
Total Non-Current Liabilities		659	891	731	232	160
TOTAL LIABILITIES		2,573	2,347	2,440	(226)	(93)
NET ASSETS		(1,024)	(372)	(440)	652	68
EQUITY						
Contributed equity		803	702	596	(101)	106
Accumulated surplus/ (deficit)		(1,827)	(1,074)	(1,036)	753	(38)
TOTAL EQUITY		(1,024)	(372)	(440)	652	68

Major Estimate and Actual (2017) Variance Narratives

3. The increase in 'Cash and cash equivalents' was influenced by the decrease in expenditure for 'salaries and wages'. OEPA's working cash limit for 2016-17 is \$714,000.
4. Budgeted 'Other current assets' includes prepayments and no material prepayments occurred in 2016-17.
5. The decrease in 'Intangibles' was due to the Case Management System being decommissioned as the functionality of the system was no longer relevant to the required activities.
6. The 'Payables' amount is impacted by an outstanding amount of \$102,000 due to Australian Taxation Office for 30 June PAYG.
7. 'Provisions' resulted in a reduction in leave liability through the continuation of the OEPA's Leave Management Policy.
8. The 'Other' in estimates included overestimation of accrued wages for 2016-17.

Major Actual (2017) and Comparative (2016) Variance Narratives

- B. The 'Cash and cash equivalents' includes annual salary recoups in June 2017 that increased the cash position.
- C. 'Receivables' have decreased as all outstanding receivables were collected other than the GST receivable component.
- D. 'Other current assets' (prepayments) have decreased by \$235,000 due there being no material prepayments for 2016-17.
- E. 'Amounts receivable for services' varies by the annual allocation to the holding account.
- F. 'Plant and equipment' has increased due to computer hardware being purchased to replace ageing equipment.
- G. 'Intangible assets' was impacted by the decommissioning of the Case Management System due to changing functional requirements.
- H. Current 'Payables' includes a payment for the June 2017 PAYG taxation.
- I. 'Provisions' for Long Service Leave decreased by 8%, a recognition of an overall reduction of \$183,000 in staff associated leave liabilities. OEPA has a Leave Management Policy in place to reduce leave liability overall.

Statement of Cash Flow	Variance Note	Original Budget 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual result for 2017 and 2016
		\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		14,121	14,121	14,100	-	21
Capital appropriations		106	106	194	-	(88)
Holding account drawdowns		6	6	50	-	(44)
State grant		-	-	148	-	(148)
Net cash provided by State Government		14,233	14,233	14,492	-	(259)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	9, J	(12,307)	(10,719)	(11,347)	1,588	628
Supplies and services	10	(898)	(1,778)	(1,566)	(880)	(212)
Accommodation	K	(850)	(638)	(975)	212	337
Grants and subsidies		-	(24)	-	(24)	(24)
GST payments on purchases		-	(315)	(216)	(315)	(100)
Other payments		(646)	(547)	(384)	99	(164)
Receipts						
GST receipts		430	271	206	(159)	65
Other receipts		150	18	24	(132)	(6)
Net cash provided by/(used in) operating activities		(14,121)	(13,732)	(14,256)	389	524
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets		(112)	(194)	(164)	(82)	(30)
Receipts						
Proceeds from sale of non-current physical assets		-	-	-	-	-
Net cash provided by/(used in) investing activities		(112)	(194)	(164)	(82)	(30)
Net increase/(decrease) in cash and cash equivalents		-	307	72	307	235
Cash and cash equivalents at the beginning of the period		177	610	538	433	72
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		177	917	610	741	307

Major Estimate and Actual (2017) Variance Narratives

9. 'Employee benefits expense' was impacted by the Government's Workforce Renewal and Agency Expenditure Review programs as a recruitment freeze was put in place in preparation for the FTE decreases. A number of vacant positions not being filled during the year resulted in a decrease in costs. Secondments to other agencies increased the expense recoups with the vacant positions not being back filled.
10. The actual 'Supplies and services' expenditure includes payment of licensing fees and implementation costs for the Financial Information Management System update to prepare for the Machinery of Government changes that was not budgeted for.

Major Actual (2017) and Comparative (2016) Variance Narratives

- J. 'Employee benefits expense' reduced due to management of the required reduction through the government's savings measures and delaying employment until full impact is known.
- K. 'Accommodation' decreased due to a prepayment being made in 2015-16 for the 1st Quarter of 2016-17.

Note 31. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 31(c) 'Financial instruments disclosures' and note 17 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

The Department has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2017 \$,000	2016 \$,000
Financial Assets		
Cash and cash equivalents	884	610
Restricted cash and cash equivalents	33	–
Receivables ^(a)	–	187
Amount receivable for services	638	594
Financial Liabilities		
Financial liabilities measured at amortised cost	195	105

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosures

Credit risk

The following table details the Department's maximum exposure to credit risk and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
	\$000	\$000	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	\$000
2017								
Cash and cash equivalents	884	884	-	-	-	-	-	-
Restricted cash and cash equivalents	33	33	-	-	-	-	-	-
Receivables ^(a)	-	-	-	-	-	-	-	-
Amounts receivable for services	638	638	-	-	-	-	-	-
	1,555	1,555	-	-	-	-	-	-
2016								
Cash and cash equivalents	610	610	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables(a)	187	-	182	5	-	-	-	-
Amounts receivable for services	594	594	-	-	-	-	-	-
	1,391	1,204	182	5	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Liquidity risk and interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest rate exposure (Nil)		Maturity dates				
			Non- interest bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
			\$000	\$000	\$000	\$000	\$000	\$000	\$000
2017									
<u>Financial Assets</u>									
Cash and cash equivalents		884	884	884	884	-	-	-	-
Restricted cash and cash equivalents		33	33	33	-	-	-	-	33
Receivables ^(a)		-	-	-	-	-	-	-	-
Amounts receivable for services		638	638	638	-	-	-	-	638
		1,555	1,555	1,555	884	-	-	-	671
<u>Financial Liabilities</u>									
Payables		195	195	195	195	-	-	-	-
		195	195	195	195	-	-	-	-
2016									
<u>Financial Assets</u>									
Cash and cash equivalents		610	610	610	610	-	-	-	-
Restricted cash and cash equivalents		-	-	-	-	-	-	-	-
Receivables ^(a)		187	187	187	187	-	-	-	-
Amounts receivable for services		594	594	594	-	-	6	-	588
		1,391	1,391	1,391	797	-	6	-	588
<u>Financial Liabilities</u>									
Payables		105	105	105	105	-	-	-	-
		105	105	105	105	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Note 32. Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2017 \$	2016 \$
Auditing the accounts, financial statements and key performance indicators	30,100	32,600

Note 33. Related and affiliated bodies

The Department does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurers Instruction 951.

Note 34. Supplementary financial information

(a) Write-offs

The Department did not write off any bad debts, revenue, debts due to the State, public or other property during the financial year. (2016: nil).

(b) Losses through theft, defaults and other causes

The Department had no losses through theft, defaults and other causes during the financial year. (2016: nil).

(c) Gifts of public property

The Department had no gifts of public property during the financial year. (2016: nil).

Key Performance Indicators

Certification of Key Performance Indicators

For the year ended 30 June 2017

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Environmental Protection Authority's performance, and fairly represent the performance of the Office of the Environmental Protection Authority for the financial year ended 30 June 2017.



Val Cartwright

Reporting Officer

14 September 2017

Detailed Key Performance Indicators

Performance Information

The Office of the Environmental Protection Authority (OEPA) was established as a separate Department in November 2009. The OEPA works to support the Government's goal of ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State. It supports this goal by working to deliver quality advice to the EPA and Minister through the following Outcomes and Services.

For the 2016-17 reporting year the original Outcome of *"Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment (the Minister) on significant proposals, compliance and environmental issues"* were amended as follows:

Desired Outcome 1: Quality advice to the EPA and Minister on significant proposals and environmental issues.

KPI 1 - The EPA's satisfaction with the OEPA's EIA services, during the year, in line with Best Practice Principles of EIA.

KPI 2 - Percentage of project-specific conditions which did not require significant change following the appeal process.

KPI 3 - Percentage of assessments that met agreed timelines.

KPI 4 - The EPA's satisfaction with the OEPA's provision of Environmental Management services during the year.

Outcome 2: Compliance with Ministerial statement implementation conditions are monitored effectively.

KPI 5 – The number of Ministerial statements audited compared to targets.

No changes were made to services and key efficiency indicators.

Outcomes and Key Effectiveness Indicators

Outcome: Quality advice to the EPA and Minister on significant proposals and environmental issues.

Environmental impact assessment services to the EPA

1. The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) Environmental Impact Assessment (EIA) services, during the year, in line with Best Practice Principles of EIA

	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	Variance of Actual 2015-16 and 2016-17
The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) Environmental Impact Assessment (EIA) services during the year, in line with Best Practice Principles of EIA	89%	88%	80%	88%	8%	0%

Explanatory Notes

In order to gauge the standard of assessment services provided by the OEPA to the EPA, the EPA rates the quality of the OEPA's EIA services in comparison to principles of EIA best practice (currently, the International Association for Impact Assessment (IAIA)'s Principles of EIA Best Practice). This is done by means of a survey completed by each member of the EPA upon delivery and EPA endorsement of each assessment.

Following the consideration of each EPA assessment report (14 for 2016–17), the EPA board members evaluate the quality of the assessment of the proposal undertaken by the Office of the Environmental Protection Authority.

During 2016–17 the EPA's satisfaction with the OEPA services exceeded the target set, with five proposals receiving a satisfaction rate of 100%. Officers of OEPA kept the EPA Board informed on all aspects of the projects including site visits and detailed information pertaining to the assessments.

2. Percentage of project-specific conditions which did not require significant change following the appeal process.

	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	Variance of Actual 2015-16 and 2016-17
Percentage of project-specific conditions which did not require significant change following the appeal process	99%	82%	80%	94%	14%	12%

Explanatory Notes

At the completion of an assessment of a significant proposal, the EPA publicly releases its report and recommended conditions to the Minister for Environment. The recommended conditions may subsequently be amended as a result of an appeal, the decision making authority consultation process, or by the Minister.

This effectiveness indicator demonstrates the quality of the OEPA's EIA advice to the EPA by examining the extent to which the OEPA has avoided the need for significant changes to project specific conditions.

Whether a change to a condition is a significant change is determined on a case by case basis but will generally involve one of the following:

A substantial change to the form of a condition (except where the change is of an administrative nature); The deletion of a condition or addition of a new condition (except where the change is of an administrative nature); A substantial change to the outcome or objective specified in a condition; A substantial change to the specified requirements of an Environmental Management Plan or environmental monitoring plan; or A substantial change to a prescribed action to be taken.

During 2016-17 the Minister for Environment approved 25 Ministerial Statements, with a total of 95 project specific conditions. Of these conditions, only six project specific conditions were significantly amended as a result of the appeals or Ministerial consultation processes. A very high proportion of the recommended conditions (94%) did not require significant change.

The improved performance in comparing the target (variance 14%) and 2015-16 actual (variance 12%) can primarily be attributed to the implementation of the EPA's new policy and procedures framework during 2016-17, which allows more efficient and effective setting of project specific conditions.

3. Percentage of assessments that met agreed timelines.

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	Variance of Actual 2015-16 and 2016-17
Percentage of assessments that met agreed timelines	88%	100%	67%	75%	82%	7%	15%

Explanatory Notes

Timelines for an assessment may vary according to the complexity of the project and are usually agreed with the proponent soon after the level of assessment is determined.

This KPI measures the OEPA's effectiveness in completing the assessment advice to EPA in a timely manner.

The EPA has adopted a practice of publishing in its assessment report to the Minister whether EPA has met the timeline objective.

For calculation purposes the date of completion of the assessment is the date the EPA Chairman signs the report.

The 2016-17 actual is slightly greater (7%) than the 2016-17 target, with only three proposals not meeting the agreed timeline due to the greater complexity of assessment. Of the 17 assessments completed, 14 met the agreed timelines in full.

The 2016-17 performance was a substantial improvement on the 2015-16 actual performance, where only 67% of assessments met agreed timeliness. This improvement can primarily be attributed to the implementation of EPA's new policy and procedures framework during 2016-17, which allows more efficient and effective assessment of proposals.

Environmental management services to the EPA

4. The EPA's satisfaction with the OEPA's provision of environmental management services during the year

	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	Variance of Actual 2015-16 and 2016-17
The EPA's satisfaction with the OEPA's provision of environmental management services during the year	92%	97%	80%	83%	3%	(14)%

Explanatory Notes

The OEPA undertakes a range of environment management services to the EPA, including preparing policies, guidelines and strategic advice. The EPA determines the quality of the environmental management services provided by the OEPA by rating each product after it has been considered.

This effectiveness indicator measures the EPA's rating of the quality of the OEPA's environmental management services in comparison with desirable underlying qualities.

Each of the members of the EPA who participate in a decision rates the product on a scale of one to five (poor to excellent) and the scores of each member are averaged, combined and proportionally adjusted to a percentage. The final indicator is the average rating awarded to all environmental management services endorsed by the EPA during the period, representing its overall satisfaction with the environmental management services provided by the OEPA.

During 2016-17 the EPA's satisfaction with the OEPA services slightly (3%) exceeded the target set. There was a reduction in the satisfaction from 2015-16. This was largely due to the substantial volume of work required in a very short period of time. The EPA requested the OEPA substantively review its policy set in accordance with the recommendations of the Quinlan Review. This resulted in 18 policy and guideline reviews in the 2016-17 financial year comparison to a single strategic advice in the 2015-16 financial year (development of the EPAs interim Section 16(e) advice for the Strategic Environmental Assessment of the Perth and Peel Region).

Outcome: Compliance with Ministerial statement implementation conditions are monitored effectively

Compliance monitoring services to the Minister

The OEPA's provision of compliance services to the Minister under section 47 and 48 of the Environmental Protection (EP) Act.

The OEPA monitors compliance with conditions and informs Minister when such conditions are no longer met.

5. The number of Ministerial statements audited compared to targets:

	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual
The number of Ministerial statements audited compared to targets	100%	100%	0%

Explanatory Notes

This a new Key Performance Indicator for 2016-17 and no comparatives can be applied.

The Minister imposes conditions (Ministerial Conditions) through ministerial statements on proposals in order to ensure that they are managed in an environmentally acceptable manner.

A compliance management program is developed annually and using a priority matrix identified sixty (60) Ministerial Statements to be audited (target).

During the year, all 60 ministerial statements were audited as planned.

The compliance management program undertaken by the OEPA since its formation in 2009, has raised the proponent's awareness that their proposals may be monitored by the OEPA.

Services and Key Efficiency Indicators

Service 1: Environmental Impact Assessment Services to the EPA

Conduct, for the EPA, environmental impact assessment of significant proposals and schemes.

1.1 Cost per standardised unit of assessment output

	2014-15 Actual \$	2015-16 Actual \$	2016-17 Target \$	2016-17 Actual \$	2016-17 Variance of Target to Actual \$	
						%
Cost per standardised unit of Assessment Output	33,867	30,760	29,362	22,047	(7,315)	(25)

Explanatory Notes

The cost per standardised unit of assessment output is calculated by dividing the total cost of assessments (including an allocation of post approval costs and a portion of costs for policy and administrative support) by the total complexity weighting of assessments completed during the financial year.

While the variation in assessment complexity is reflected in the level of assessment set, a number of other factors affect how complex a proposal is to assess. To account for this range in difficulty, each assessment completed is assigned a weighting according to a matrix.

In 2016-17 the EPA assessed 17 proposals, of which 11 were assessed at the highest level (Public Environmental Review), involving extensive public consultation and consideration of a large number of environmental factors in the assessment process. This resulted in a very high complexity weighting for the 2016-17 assessment output, which in turn reduced the cost per standardised unit in 2016-17.

Service 2: Environmental management services to the EPA

Develop, for the EPA, statutory policies, guidelines and strategic advice to manage environmental impacts and protect the environment.

2.1 Cost per standardised unit of environmental management output

	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	
	\$	\$		\$	\$	%
Cost per standardised unit of environmental management services output	18,762	46,573	33,297	26,310	(6,987)	(21)

Explanatory notes

The cost per standardised unit of Environmental Management services output is calculated by dividing the total cost of Environmental Management services (including an allocation of administrative support) by the total complexity weighting of Environmental Management services endorsed during the period.

Because of the great variation in complexity of Environmental Management services provided, an average cost per piece of advice provided would not fairly represent the OEPA's efficiency in providing such advice to the EPA. In fact, such a measure could provide a perverse incentive to produce many straightforward pieces of advice rather than tackling more complex issues that are more difficult to investigate. To account for this range in difficulty, each assessment completed is assigned a weighting according to a matrix.

It should be noted that, while the difficulty often influences the amount of time spent investigating a matter, the complexity weightings were allocated, in consultation with experienced officers, according to inherent characteristics that cause a piece of Environmental Management advice to be more difficult rather than what causes it to take more time to complete. This ensures that the indicator measures the efficiency of the OEPA's provision of Environmental Management advice to the EPA rather than the OEPA's cost per hour.

The cost per standardised unit of environmental management output is lower than the target for 2016-17. This indicator measures only the cost of advice provided by the OEPA to the EPA, not other advice that the OEPA provides to the Minister for Environment and Government. During 2016-17, the volume of policy and guidance documents reviewed in response to the Quinlan Review took precedence over the development of larger and more complex strategic advice and new policy outputs. This resulted in a reduction in the cost per unit. It is likely this reduction will be reversed as the EPA moves past its policy review and again into the development of strategic advice.

Service 3: Compliance monitoring services to the Minister

Audit the compliance with conditions set under Ministerial approvals and undertake enforcement action as appropriate.

3.1 Average cost per environmental audit completed

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual	2016-17 Variance of Target to Actual	
	\$	\$	\$		\$	\$	%
Average cost per environmental audit completed	32,198	31,859	29,985	33,875	36,515	2,640	8

Explanatory notes

Division of the total cost (including an allocation of administrative overheads) allocated to compliance monitoring services by the total number of audits (not including desktop scans) completed during the period.

Number of environmental audit planned and completed during the year was 60. Increase from budget is due to the increase in total cost of services allocated to the compliance branch.

Other disclosures

Ministerial directives

No ministerial directives were received during the financial year.

Other financial disclosures

Pricing policies of services provided

The department was fully funded from appropriations and did not charge any fee for service.

Employment and Industrial Relations

Staff Profile

All OEPA officers were employed under the *Public Service and Government Officers General Agreement 2014*.

	2017	2016
Full-time permanent	55	65
Full-time contract	11	3
Part-time permanent measured on an FTE basis	13	13
Part-time contract measured on an FTE basis	4	
On secondment	1	1
	84	82

Staff development

Staff development was undertaken in conjunction with an individual Work and Development Plan process that identified initiatives for work efficiencies and effectiveness through improvements and professional development.

Workers compensation

There were no compensation claims recorded during the 2016–17 financial year.

Unauthorised Use of Credit Cards

Officers of the department held corporate credit cards where their functions warranted usage of this facility. Despite each cardholder being reminded of their obligations annually under the department's credit card policy, one employee inadvertently utilised the corporate credit card for parking while not undertaking official business. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

2017	2017 \$
Aggregate amount of personal use expenditure for the reporting period	174.00
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	39.00
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	135.00
Aggregate amount of personal use expenditure outstanding at balance date	–

Governance disclosures

Contracts with Senior Officers

At the date of reporting, senior officers of the department held no contracts with the department other than normal employment contracts. No senior officers of the department had substantial interests in entities with existing or proposed contracts or agreements with the department.

Board remuneration

The OEPA reported the following remuneration to the Environmental Protection Authority for 2016–17.

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Dr Tom Hatton	Annual	5/11/2015–4/11/2020	331,980
Deputy Chair	Mr Robert Harvey	Annual	18/11/2012–17/11/2020	93,562
Member	Ms Elizabeth Carr	Annual	4/10/2011–3/10/2019	46,780
Member	Mr Glen McLeod	Annual	21/10/2013–20/10/2021	78,000
Member	Dr Jim Limerick	Annual	5/11/2015–4/11/2018	46,780
Total				597,102

Remuneration for the Board Members included superannuation.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

Electoral Act 1907, section 175ZE

In accordance with s175ZE of the *Electoral Act 1907*, the agency incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2016–17 was \$3,678.

Expenditure was incurred in the following areas:

Expenditure	Amount	Amount
Advertising agencies	Nil	
Market research organisations	Nil	
Polling organisations	Nil	
Direct mail organisations	\$523	Create Send \$523
Media advertising organisations	\$3,155	Adcorp \$3,155
	Total	\$3,678

The expenditure reported under direct mail organisations related to email notification of opportunities for public comment and submissions to subscribers. Expenditure under media advertising organisations related to recruitment, primarily EPA members.

Disability access and inclusion plan outcomes

(*Disability Services Act 1993*, s29 and Schedule 3 of the *Disability Services Regulations 2004*)

The OEPA's Disability Access and Inclusion Plan was available on the EPA's web site. The second annual report was compiled and sent to the Disability Services Commission including the following case study under Outcome 3:

"The EPA's redeveloped website, launched in December 2016, has been designed to be as accessible to as many users as possible, including people with disabilities who may use assistive technologies, those with slower internet connections, rural and regional users, and those with hand held devices and mobile phones.

Some documents provided during the assessment of a proposal or scheme may be very large in file size. Wherever possible, we reduce or split these to facilitate downloading. The OEPA is committed to ensuring all people have access to our services and have the opportunity to participate in any public consultation.

All EPA and OEPA documents published on the website can also be provided in other formats or translated on request."

Compliance with Public Sector Standards and ethical codes

(Public Sector Management Act 1994, s31(1))

The OEPA's policies were written to support employees in the achievement of a professional standard of behaviour and to comply with legislative and public sector directives. All policies were accessible to department staff through the intranet. In addition, the department undertook the following activities in 2016–17 to support compliance with public sector standards and ethical codes:

- The department had a published code of conduct linking the WA Code of Ethics and OEPA's Values and Behaviour Guide.
- A gift decisions form was available on the intranet to complement the conflict of interest declaration form and included the requirement to declare and record all gifts offered and accepted.
- All employees were enrolled in the 'Accountable and Ethical Decision Making' course on commencement.

For 2016–17 the OEPA reported the following public sector standards and ethical codes compliance statistics:

Compliance issues	Reported for 2016-17
Public sector standards in human resource management breach claims	0
Non-compliance with the WA Code of Ethics and the Department's Code of Conduct	0
Substantiated allegations of misconduct under the disciplinary provisions of the <i>Public Sector Management Act 1994</i>	0

Record keeping plan

State Records Commission (SRC) Standard 2, Principle 6

The OEPA records were contained within Alfresco, a records management system. The OEPA Record Keeping Plan including the Business Classification System (BCS), met the State Records Commission's (SRC) principles, policies and standards. Record management procedures and policies were developed to support the capture of OEPA business records.

In 2017–18 all records held by OEPA will be closed and transferred to the new Department of Water and Environmental Regulation in accordance with the requirements associated with Machinery of Government changes.

Government policy requirements

Occupational safety, health and injury management

(Public Sector Commissioner's Circular 2012-05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

The OEPA and its executive were committed to ensuring the safety, health and wellbeing of their employees, contractors, volunteers and visitors.

While previously the agency used the Occupational Health and Safety policies and guidelines from the Department of Parks and Wildlife (DPaW), which provided support to the OEPA, the OEPA:

- consulted with staff on their Occupational Health, Safety and Wellbeing concerns;
- had an Occupational Health Safety and Wellbeing (OHSW) Committee;
- developed an agency specific OHSW Corporate Policy;
- developed agency specific OHSW Induction and Training presentations;
- continued to work on a range of OHSW related guidelines that formed part of the new OHSW Management Plan;
- distributed a monthly OHSW Newsletter.

There were no injuries during the 2016–17 financial year, but should there have been, the OEPA had access to DPaW's workers compensation and injury management policy that prescribed the injury management process, including the development of return to work programs for all injured staff under the direction and guidance of the Health and Safety section.

Measure	Actual results		Results against target	
	2015–16	2016–17	Target	Comment
Number of fatalities	0	0	0	–
Lost time injury and/or disease incidence rate	0	0	0 or 10% improvement on the previous 3 years	–
Lost time injury and/or disease severity rate	0	0	0 or 10% improvement on the previous 3 years	–
Percentage of injured workers returned to work: (i) within 13 weeks (ii) within 26 weeks	– –	– –	Greater than or equal to 80%	–
Percentage of managers trained in occupational safety, health and injury management responsibilities	0	0	Greater than or equal to 80%	



Appendix 1: Public reports and recommendations to the Minister for Environment

Public Environmental Review

Report No.	Title	Proponent	Release date
1570	Mt Gibson Range Mine Operations, Iron Hill Deposits	Mount Gibson Mining Limited	18 July 2016
1573	Yandicoogina Iron Ore Project – Pocket and Billiard South deposits	Hamersley Iron – Yandi Pty Limited	1 August 2016
1574	Yeelirrie Uranium Project	Cameco Australia Pty Ltd	3 August 2016
1575	Cyclone Mineral Sands Project	Lost Sands Pty Ltd	8 August 2016
1576	Mulga Rock Uranium Project	Vimy Resources Limited	15 August 2016
1580	Extension to the Wiluna Uranium Project	Toro Energy Limited	6 September 2016
1581	Yilgarn Operations, Koolyanobbing Range F Deposit	Cliffs Asia Pacific Iron Ore Pty Ltd	12 September 2016
1588	Solomon Iron Ore Project – Sustaining Production	Fortescue Metals Group Limited	23 November 2016
1593	Mid West Aquaculture Development Zone	Department of Fisheries	3 April 2017
1598	Blue Hills Mungada East Expansion	Sinosteel Midwest Corporation Limited	28 June 2017
1599	Jackson 5 and Bungalbin East Iron Ore Project	Mineral Resources Limited	28 June 2017

Assessment on Proponent Information - Category A

Report No.	Title	Proponent	Release date
1571	Eastern Ridge Iron Ore Proposal – Extension to Orebodies 24, 25 and 32	BHP Billiton Iron Ore Pty Ltd	25 July 2016
1582	Pilbara Bulk Ore Transportation System	Mineral Resources Limited	19 September 2016
1585	Iron Valley below water table project	BC Pilbara Iron Ore Pty Ltd	17 October 2016
1587	Gruyere Gold Project	Gold Road Resources Limited	21 November 2016
1592	Balannup Wastewater Pressure Main	Water Corporation	23 January 2017

Assessment on Referral Information

Report No.	Title	Proponent	Release date
1597	Perth Groundwater Replenishment Scheme Stage 2	Water Corporation	29 May 2017

Changes to Conditions - s46 Reports

Report No.	Title	Proponent	Release date
1572	Gidgegannup Granite Quarry, Gidgegannup, City of Swan - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 861	Hanson Construction Materials Pty Ltd	19 July 2016
1577	Marillana Creek (Yandi) Life-of-mine proposal - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 679	BHP Billiton Iron Ore Pty Ltd	22 August 2016
1578	Subdivision of Lot 48 Furnissdale Road, Furnissdale - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 778	G-Daisy Pty Ltd	2 September 2016
1579	Magellan Lead Carbonate Project - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 905	Rosslyn Hill Mining Pty Ltd	1 September 2016
1583	Port Rockingham Marina – inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 826	Aureus Commercial Pty Ltd	19 September 2016
1584	Final Superlot Subdivision (various lots, Patterson Road, Rockingham - WAPC subdivision application 153179) - inquiry into whether or not the conditions relating to the derived proposal should be changed	Western Australian Land Authority trading as LandCorp	3 October 2016
1586	Cape Lambert Port A & B developments, City of Karratha - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statements 741 & 840	Robe River Mining Co Pty Ltd	14 November 2016
1589	Marillana Iron Ore Project – inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 855	Brockman Mining Australia Pty Ltd	19 December 2016

Report No.	Title	Proponent	Release date
1590	Industrial subdivision of Lot 21 Webster Road Forrestfield - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 841	Alison Papagioftsis; Marilyn Cacavas; Robert Peters	30 December 2016
1591	Multi-user Iron Ore Export (Landside) Facility, Port Hedland - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 891	NWIOA Ops. Pty Ltd (trading as North West Infrastructure)	30 December 2016
1594	Champion Lakes Masterplan Development Lake Road, Armadale - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 632	Western Australian Sports Centre Trust	3 April 2017
1595	Point Grey Marina proposal - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 906	Point Grey Development Company Pty Ltd	10 April 2017
1596	Parker Range (Mount Caudan) Iron Ore Project, Shire of Yilgarn - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 892	Cazaly Iron Pty Ltd	15 May 2017
1600	Cape Riche Seawater Desalinisation Plant Proposal - inquiry under section 46 of the <i>Environmental Protection Act 1986</i> to amend Ministerial Statement 904	Grange Resources Limited	28 June 2017

Appendix 2: Section 45C approved changes to proposals

Statement No.	Title <i>Proponent</i>	Variation	Release date
883	Hamersley Agriculture Project <i>Hamersley Iron Pty Ltd</i>	Attachment 1 to Statement 883 - Update description of the Hamersley Agriculture Project (HAP); restrict Schedule 1 to "Option A" that is being implemented; remove references to buffer zones and indirect impact areas; amendment to Development Envelope to include a buffer for the current access corridor connecting the Central and Eastern Agricultural areas; removal of elements that are not considered Key Proposal Characteristics or are managed under other legislation; amendment of Table 1 and addition of Tables 2, 3, 4 and 5; and amendment to Figure 1, removal of Figure 2	18 August 2016
905	Magellan Lead Carbonate Project <i>Magellan Metals Pty Ltd</i>	Attachment 6 to Statement 905 - Additional clearing for additional pits, Integrated Waste Landform (IWL) and infrastructure; increase in total tailings storage capacity; co-locating tailings within existing waste rock landform to form an IWL; change to Short Description of Proposal to include IWL; removal of reference to two Tailings Storage Facility cells; update to sampling sites and associated lead baseline trigger levels; correction of coordinate errors in Table 4 (Now titled Table 8); change to lead baseline trigger level table numbers to maintain numbering sequence; update of Figures 1 to 17 to include amended sample site locations; update to Figure 18 to include new authorised disturbance footprint	19 August 2016
993	North Star Magnetite Project <i>Fortescue Metals Group Limited</i>	Attachment 1 to Statement 993 - Change to area of Slurry Corridor Development Envelope; additional clearing for an Aerodrome in the Infrastructure Corridor; addition of Aerodrome to elements in the Infrastructure Development Corridor; and change to area of Infrastructure Corridor Development Envelope	22 August 2016

Statement No.	Title <i>Proponent</i>	Variation	Release date
635	Iron Ore Mine, Downstream Processing Direct-reduced and Hot-briquetted Iron and Port, Cape Preston, WA <i>Austeel Pty Ltd</i>	Attachment 5 - Additional clearing for roads (0.33 ha) and infrastructure associated with the Tailings Storage Facility (TSF) (105 ha) and 3 ha for a pipeline; construction of a pipeline from mine to a proposed discharge location near the mouth of the Fortescue River; and discharge dewatered groundwater from the mine site to a location near the mouth of the Fortescue River	31 August 2016
1022	Forrestfield Airport Link <i>Public Transport Authority of Western Australia</i>	Attachment 2 - Removal of surface disturbance areas in Figure 1 and Figure 2 in Schedule 1; inclusion of exclusion zones in Figure 2 in Schedule 1; and there are no changes to Table 1, Table 2 or Table 3 of Schedule 1	1 September 2016
852	Carina Iron Ore Mine <i>Polaris Metals Pty Ltd</i>	Attachment 4 - Disturbance of an additional 21 hectares of native vegetation and an increase of 27.6 hectares to the project boundary envelope	20 September 2016
982	Yilgarn Operations - Windarling Range, Mt Jackson Range and Deception Deposit <i>Cliffs Asia Pacific Iron Ore Pty Ltd</i>	Attachment 3 - Inclusion of the Windarling W10 Pit deposit with an additional 24 hectares of disturbance; minor update to Table 4 - Coordinates defining Windarling W7 Pit and Supporting Infrastructure; inclusion of Table 5 - Coordinates defining Windarling W10 Pit and Supporting Infrastructure	29 September 2016
813	Silicon Project, Kemerton and Mine at Moora - Revised Proposal <i>Simcoa Operations Pty Ltd</i>	Attachment 1 - Increase mine depth to mine below the water table; increase the groundwater requirements from 80,000 kilolitres per annum to 250,000 kilolitres per annum; include water discharge via Kiaka Creek to the Coonderoo River wetlands; and administrative changes to remove key characteristics which are not environmentally significant or regulated by other authorities	21 October 2016

Statement No.	Title <i>Proponent</i>	Variation	Release date
719	Worsley Alumina - Efficiency and Growth Increase of Existing Operations to 4.4Mtpa Alumina Production <i>Worsley Alumina Pty Ltd</i>	Attachment 9 - Construction of a temporary water supply pipeline and associated pumping infrastructure from Wellington Dam to the Worsley Refinery which requires clearing of up to 2 ha of undisturbed native vegetation and up to 6 ha previously native vegetation within Wellington National Park	30 November 2016
901	Busselton Regional Aerodrome <i>City of Busselton</i>	Attachment 1 - Amend the description of the Busselton Regional Aerodrome runway to incorporate land acquired and ceded to the City of Busselton to the north, south and north-west of the existing airport lot by increasing the development envelope as shown in Figure 1	15 December 2016
879	Gold Mine Developments on Lake Lefroy <i>St Ives Gold Mining Company Pty Limited</i>	Attachment 2 – Increase the boundary of approved Development Envelope; re-align layout of the approved area of disturbance; additional dewatering discharge points; and remove elements of the key characteristics table that are not relevant to the environment or regulated under other legislation	30 December 2016
875	Ammonium Nitrate Production Expansion Project: Phase 2, Kwinana <i>CSBP Limited</i>	Attachment 2 – Increase the boundary of Project Area; addition of an ammonium nitrate emulsion plant and associated infrastructure; remove elements that are not a significant key characteristic relevant to the environment or are regulated under Part V of the Environmental Protection Act 1986; and update Figures and reference coordinates.	24 January 2017

Statement No.	Title <i>Proponent</i>	Variation	Release date
1016	Kwinana Waste to Energy Project <i>Kwinana WTE Project Co Pty Ltd, Phoenix Energy Australia Pty Ltd</i>	Attachment 1 - amendment to waste types permitted to be processed - inclusion of commercial and industrial waste, which incorporates refuse collection from small businesses (i.e. rateable small businesses) where such a collection is carried out in conjunction with local government residual MSW collection; and amendment to waste types permitted to be processed – inclusion of pre-sorted construction and demolition waste	31 January 2017
986	Browns Range Rare Earth Project <i>Northern Minerals Limited</i>	Attachment 1 - Revise the development envelope boundaries; and update Figures and reference to coordinates	12 April 2017
949	Cape Preston East – Iron Ore Export Facility <i>Iron Ore Holdings Ltd</i>	Attachment 2 - Revise the development envelope boundaries to accommodate the access road re-alignment; decrease the development envelope area from 2,942 hectares (ha) to 2,552 ha; increase in total disturbance from 402.8 ha to 413.2 ha; and update Figures 1 and 2, and delineation coordinates	1 May 2017
870	Technical Ammonium Nitrate Production Facility, Burrup Peninsula <i>Burrup Nitrates Pty Ltd</i>	Attachment 2 – Decrease in development and disturbance area; removal of TAN storage capacity	7 June 2017
1036	Perth Darwin National Highway (Swan Valley Section) <i>Main Roads WA</i>	Attachment 2 - Changes to the Development Envelope	7 June 2017

Statement No.	Title	Variation	Release date
	<i>Proponent</i>		
782	Fimiston Gold Mine Operations Extension (Stage 3) and Mine Closure Planning <i>Kalgoorlie Consolidated Gold Mines Pty Ltd</i>	Attachment 4 – Addition to pit area to enable pit remediation and removal of 2 ha from the Environmental Noise Bund area	12 June 2017
491	Multiple Iron Ore Mine Development, Mining Area C-Northern Flank, 100km Northwest of Newman <i>BHP Iron Ore Pty Ltd</i>	Attachment 7 – Amend the element ‘Accommodation village’ to ‘Packsaddle Village’; include a new element ‘Mulla Mulla Village’; increase total disturbance from 5,385 ha to 5,563.8 ha; update Figures 1 and 2, and delineation coordinates	22 June 2017
709	Expansion of Monkey Mia Dolphin Resort <i>Monkey Mia Dolphin Resort Pty Ltd</i>	Attachment 1 - Increase the wastewater treatment plant area requiring an additional 2.9 hectares (ha) of vegetation clearing; development and use of temporary borrow pits requiring 3.14 ha of vegetation clearing, that will then be rehabilitated after construction; administrative changes to Schedule 1 of Ministerial Statement 709 to describe the proposal in terms of a ‘development envelope’, simplify the description of the resort expansion, and remove elements relating to the design of the resort that are not relevant to the environment	29 June 2017

Appendix 3: Acronyms

API A	Assessment on Proponent Information – Category A
API B	Assessment on Proponent Information – Category B
BCS	Business Classification Sytem
CEMP	Construction Environmental Management Plan
CEO	Chief Executive Officer
DPaW	Department of Parks and Wildlife
EIA	environmental impact assessment
EPA	Environmental Protection Authority
EP Act	<i>Environmental Protection Act 1986</i>
FOI	Freedom of Information
KPI	Key Performance Indicator
OEPA	Office of the Environmental Protection Authority
OHSW	Occupational Health, Safety and Wellness
PER	Public Environmental Review
SRC	State Records Commission



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